

# Senate Amendment 3058

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1 1 Amend Senate File 360 as follows:  
1 2 #1. Page 1, by inserting before line 1, the  
1 3 following:  
1 4 <Section 1. NEW SECTION. 249J.1 DEFINITIONS.  
1 5 As used in this chapter, unless the context  
1 6 otherwise requires:  
1 7 1. "Certified long-term care insurance policy"  
1 8 means a long-term care insurance contract that is  
1 9 issued by an insurer or other person who complies with  
1 10 section 249J.4.  
1 11 2. "Long-term care facility" means a facility  
1 12 licensed under chapter 135C or an assisted living  
1 13 program certified under chapter 231C.  
1 14 3. "Long-term care insurance" means long-term care  
1 15 insurance as defined in section 514G.4 and regulated  
1 16 in section 514G.7.  
1 17 4. "Qualified long-term care services" means  
1 18 qualified long-term care services as defined in  
1 19 section 7702B(c) of the Internal Revenue Code.  
1 20 Sec. 2. NEW SECTION. 249J.2 IOWA LONG-TERM CARE  
1 21 ASSET DISREGARD INCENTIVE PROGRAM == ESTABLISHMENT AND  
1 22 ADMINISTRATION.  
1 23 1. The Iowa long-term care asset disregard  
1 24 incentive program is established to do all of the  
1 25 following:  
1 26 a. Provide incentives for individuals to insure  
1 27 against the costs of providing for their long-term  
1 28 care needs.  
1 29 b. Provide a mechanism for individuals to qualify  
1 30 for coverage of the costs of their long-term care  
1 31 needs under the medical assistance program without  
1 32 first being required to substantially exhaust all  
1 33 their resources.  
1 34 c. Assist in developing methods for increasing  
1 35 access to and the affordability of long-term care  
1 36 insurance.  
1 37 d. Alleviate the financial burden on the state's  
1 38 medical assistance program by encouraging the pursuit  
1 39 of private initiatives.  
1 40 2. The insurance division of the department of  
1 41 commerce shall administer the program in cooperation  
1 42 with the division responsible for medical services  
1 43 within the department of human services. Each agency  
1 44 shall take appropriate action to maintain the waiver  
1 45 granted by the centers for Medicare and Medicaid  
1 46 services of the United States department of health and  
1 47 human services under 42 U.S.C. } 1396 relating to  
1 48 providing medical assistance under chapter 249A, in  
1 49 effect prior to the effective date of this Act.  
1 50 Sec. 3. NEW SECTION. 249J.3 ELIGIBILITY.  
2 1 An individual who is the beneficiary of a certified  
2 2 long-term care insurance policy approved by the  
2 3 insurance division may be eligible for assistance  
2 4 under the medical assistance program using the asset  
2 5 disregard provisions pursuant to section 249J.5.  
2 6 Sec. 4. NEW SECTION. 249J.4 INSURER  
2 7 REQUIREMENTS.  
2 8 1. An insurer or other person who wishes to issue  
2 9 a certified long-term care insurance policy meeting  
2 10 the requirements of this chapter shall, at a minimum,  
2 11 offer to each policyholder or prospective policyholder  
2 12 a policy that provides both of the following:  
2 13 a. Facility coverage, including but not limited to  
2 14 long-term care facility coverage.  
2 15 b. Nonfacility coverage, including but not limited  
2 16 to home and community-based care coverage.  
2 17 2. An insurer or other person who complies with  
2 18 subsection 1 may also elect to offer a certified long-  
2 19 term care insurance policy that provides only facility  
2 20 coverage.  
2 21 Sec. 5. NEW SECTION. 249J.5 ASSET DISREGARD  
2 22 ADJUSTMENT.  
2 23 1. As used in this section, "asset disregard"  
2 24 means a one dollar increase in the amount of assets an

2 25 individual who is the beneficiary of a certified long=  
2 26 term care insurance policy and meets the requirements  
2 27 of section 249J.3 may retain under section 249A.35 for  
2 28 each one dollar of benefit paid out under the  
2 29 individual's certified long-term care insurance policy  
2 30 for qualified long-term care services if the policy  
2 31 meets all of the following criteria:

2 32 a. If purchased prior to January 1, 2005, provides  
2 33 benefits in an amount equal to at least seventy  
2 34 thousand dollars as computed on January 1, 2005.  
2 35 b. If purchased on or after January 1, 2005,  
2 36 provides benefits in an amount equal to at least  
2 37 seventy thousand dollars as computed on January 1,  
2 38 2005, compounded annually by at least five percent, or  
2 39 an amount equal to at least the minimum face amount  
2 40 specified by the commissioner of insurance pursuant to  
2 41 subsection 3, whichever amount is greater.  
2 42 c. Includes a provision under which the total  
2 43 amount of the benefit increases by at least five  
2 44 percent, compounded annually.

2 45 2. When the division responsible for medical  
2 46 services within the department of human services  
2 47 determines whether an individual is eligible for  
2 48 medical assistance under chapter 249A, the division  
2 49 shall make an asset disregard adjustment for any  
2 50 individual who meets the requirements of section  
3 1 249J.3. The asset disregard shall be available after  
3 2 benefits of the certified long-term care insurance  
3 3 policy have been applied to the cost of qualified  
3 4 long-term care services as required under this  
3 5 chapter.

3 6 3. Beginning September 1, 2006, or one year after  
3 7 the effective date of this Act, whichever is later,  
3 8 the commissioner of insurance shall issue a bulletin  
3 9 annually on that date, declaring the minimum face  
3 10 amount for policies to qualify for the Iowa long-term  
3 11 care asset disregard incentive program for the  
3 12 following calendar year. In making this  
3 13 determination, the commissioner shall consult with the  
3 14 division responsible for collecting data on average  
3 15 nursing home costs in Iowa. Additionally, in making  
3 16 this determination, the commissioner shall consider  
3 17 the current average daily cost for three years of  
3 18 nursing home care and other relevant information.

3 19 Sec. 6. NEW SECTION. 249J.6 APPLICATION OF ASSET  
3 20 DISREGARD TO DETERMINATION OF INDIVIDUAL'S ASSETS.  
3 21 A public program administered by the state that  
3 22 provides long-term care services and bases eligibility  
3 23 upon the amount of the individual's assets shall apply  
3 24 the asset disregard under section 249J.5 in  
3 25 determining the amount of the individual's assets.

3 26 Sec. 7. NEW SECTION. 249J.7 PRIOR PROGRAM ==  
3 27 DISCONTINUATION OF PROGRAM.  
3 28 1. If the Iowa long-term care asset disregard  
3 29 incentive program is discontinued, an individual who  
3 30 is covered by a certified long-term care insurance  
3 31 policy prior to the date the program is discontinued  
3 32 is eligible to continue to receive an asset disregard  
3 33 as defined under section 249J.5.

3 34 2. An individual who is covered by a long-term  
3 35 care insurance policy under the long-term care asset  
3 36 preservation program established pursuant to chapter  
3 37 249G, Code 2005, on or before the effective date of  
3 38 this Act, is eligible to continue to receive the asset  
3 39 adjustment as defined under that chapter.

3 40 3. The insurance division, in cooperation with the  
3 41 department of human services, shall adopt rules to  
3 42 provide an asset disregard to individuals who are  
3 43 covered by a long-term care insurance policy prior to  
3 44 the effective date of this Act, consistent with the  
3 45 Iowa long-term care asset disregard incentive program.

3 46 Sec. 8. NEW SECTION. 249J.8 RECIPROCAL  
3 47 AGREEMENTS TO EXTEND ASSET DISREGARD.  
3 48 The division responsible for medical services  
3 49 within the department of human services may enter into  
3 50 reciprocal agreements with other states to extend the  
4 1 asset disregard under section 249J.5 to Iowa residents  
4 2 who had purchased or were covered by certified long=  
4 3 term care insurance policies in other states.

4 4 Sec. 9. NEW SECTION. 249J.9 RULES.  
4 5 The department of human services and the insurance

4 6 division of the department of commerce shall adopt  
4 7 rules pursuant to chapter 17A as necessary to  
4 8 administer this chapter. The insurance division shall  
4 9 consult with representatives of the insurance industry  
4 10 in adopting such rules. This delegation of rulemaking  
4 11 authority shall be construed narrowly.

4 12 Sec. 10. NEW SECTION. 249A.35 PURCHASE OF  
4 13 CERTIFIED LONG=TERM CARE INSURANCE POLICY ==  
4 14 COMPUTATION UNDER MEDICAL ASSISTANCE PROGRAM.  
4 15 A computation for the purposes of determining  
4 16 eligibility under this chapter concerning an  
4 17 individual who is the beneficiary of a certified long=  
4 18 term care insurance policy under chapter 249J shall  
4 19 include consideration of the asset disregard provided  
4 20 in section 249J.5.>

4 21 #2. Page 36, by inserting after line 17, the  
4 22 following:

4 23 <Sec. \_\_\_\_\_. Chapter 249G, Code 2005, is repealed.

4 24 Sec. \_\_\_\_\_. MEDICAID STATE PLAN WAIVERS == IOWA  
4 25 LONG=TERM CARE ASSET DISREGARD INCENTIVE PROGRAM.

4 26 1. The department of human services shall amend  
4 27 the medical assistance state plan to provide that all  
4 28 amounts paid for qualified long=term care services  
4 29 under a certified long=term care insurance policy  
4 30 pursuant to chapter 249J, as enacted in this Act,  
4 31 shall be considered in determining the amount of the  
4 32 asset disregard.

4 33 2. The department of human services shall seek  
4 34 approval of a state plan amendment or make application  
4 35 to the United States department of health and human  
4 36 services for any waivers necessary to implement  
4 37 chapter 249J, as enacted in this Act.>

4 38 #3. Page 36, by inserting after line 30, the  
4 39 following:

4 40 <Sec. \_\_\_\_\_. CONTINGENT EFFECTIVE DATE == IOWA LONG=  
4 41 TERM CARE ASSET DISREGARD INCENTIVE PROGRAM.

4 42 1. The sections of this Act enacting chapter 249J  
4 43 and section 249A.35, repealing chapter 249G, and  
4 44 directing the department of human services to seek  
4 45 Medicaid state plan amendments and waivers from the  
4 46 federal government shall not take effect until both of  
4 47 the following conditions are met:

4 48 a. Funding is specifically appropriated to the  
4 49 insurance division of the department of commerce for  
4 50 the purpose of the Iowa long=term care asset disregard  
5 1 incentive program pursuant to chapter 249J as enacted  
5 2 in this Act. The insurance division shall notify the  
5 3 Code editor if such appropriation is made.

5 4 b. All Medicaid state plan amendments and waivers  
5 5 necessary to implement chapter 249J, as enacted in  
5 6 this Act, are approved by the United States department  
5 7 of health and human services. The department of human  
5 8 services shall notify the Code editor if such approval  
5 9 is received.

5 10 2. If the requirements of subsection 1 are met,  
5 11 the program shall begin no sooner than six months  
5 12 following the date that both requirements are met.>

5 13 #4. Title page, line 2, by inserting after the  
5 14 word <concerning> the following: <a long=term care  
5 15 asset disregard incentive program,>.

5 16 #5. Title page, line 12, by striking the words  
5 17 <applicable and> and inserting the following:  
5 18 <applicable,>.

5 19 #6. Title page, line 13, by inserting after the  
5 20 word <dates> the following: <, and providing a  
5 21 contingent effective date>.

5 22 #7. By renumbering as necessary.

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